

PEOPLE from Granddaughter Merry of Volume...

The Global Newspaper Edited and Published in Paris Printed simultaneously in Paris, London, Zurich, Hong Kong, Singapore, The Hague, Marseille, Miami, Rome.

Table with exchange rates for various countries including Algeria, Angola, Argentina, Australia, Belgium, Canada, Cyprus, Denmark, Egypt, Finland, France, Germany, Greece, Hong Kong, India, Indonesia, Italy, Japan, Korea, Kuwait, Lebanon, Luxembourg, Malaysia, Mexico, Netherlands, New Zealand, Norway, Pakistan, Portugal, Saudi Arabia, Singapore, South Africa, Spain, Sweden, Switzerland, Taiwan, Thailand, Turkey, U.S.A., U.K., West Germany, Yugoslavia, and Zaire.

Poindexter Insists Reagan Would Have Approved Diversion

WASHINGTON — Rear Admiral John M. Poindexter, repeatedly contradicting White House statements, insisted Friday that President Ronald Reagan would have approved diverting Iranian arms sale proceeds to the Nicaraguan rebels if he had known about it.

When asked about the insistence of Mr. Reagan's spokesman, Martin Fitzwater, that Mr. Reagan would not have approved of the plan, Admiral Poindexter replied: "I would have expected him to say that. That is the whole idea of deniability."

Both Parties See Damage To Reagan

WASHINGTON — Ronald Reagan's presidency will remain damaged for the rest of his term, and the Republican Party weakened, despite Rear Admiral John M. Poindexter's testimony that the president was unaware of the diversion of Iran arms profits to the Nicaraguan rebels, according to politicians and strategists from both major U.S. parties.



French policemen checking the identity of automobile passengers near the Iranian Embassy in Paris on Friday.

France Breaks Ties With Iran, Confines Envoys To Embassy

By Julian Nundy International Herald Tribune PARIS — France broke diplomatic relations with Iran on Friday and ordered all Iranian diplomats in Paris to be confined to their embassy until arrangements could be made for their repatriation.

Ex-Presidential Aide Charged With Illegal Lobbying

WASHINGTON — Lyn Nofziger, a former top White House official, has been indicted on six counts of violating federal ethics laws in connection with his lobbying for Wedtech Corp. and two other clients, a special prosecutor announced Friday.

Mr. Nofziger, who was senior political adviser to President Ronald Reagan, is the second of Mr. Reagan's close circle of political advisers from his earliest campaigns to face corruption charges stemming from lobbying activities after Mr. Reagan was elected president.

The decision to break ties, coming after an escalating three-week dispute, raised immediate fears for the lives of French hostages believed to be held by pro-Iranian Islamic extremists in Lebanon. Within a few hours of the announcement, news agencies in Beirut received anonymous calls saying that two French diplomats, Marcel Carton, 62, and Marcel Fontaine, 43, would be killed in reprisal. The diplomats were kidnapped in March 1985.

Kiosk East Germany Orders Amnesty

BERLIN (Reuters) — East Germany declared an amnesty on Friday for all prisoners except Nazi war criminals, spies, murderers and people convicted of crimes against humanity. Prisoners serving life sentences are to have their terms reduced to 15 years.

Dow Closes Above 2,500

The Dow Jones industrial average closed above 2,500 for the first time Friday as prices on the New York Stock Exchange benefited from the dollar's strength and favorable corporate earnings. The Dow jumped 13.07 to close at 2,510.04, its fourth consecutive record high.



Paul Azinger led by a stroke after two rounds of the British Open golf tournament. Page 13.

GENERAL NEWS

- Quieter Soviet subs challenge U.S. Navy strategy. Page 2.
The Pakistani prime minister blamed India for two car bombings in Karachi. Page 2.
The U.S. women's movement facing new issues and struggling to retain past gains. Page 3.
BUSINESS/FINANCE
U.S. housing starts fell 0.7 percent in June. Page 7.
Oil analysts' fears of a rise in prices are exaggerated. Page 7.

Table with market data: Dow close: UP 13.07, The dollar in New York: DM 1.684, Yen 152.95, FF 6.20.

THATCHER AT WHITE HOUSE

Prime Minister Margaret Thatcher of Britain posing Friday with President Ronald Reagan outside the Oval Office. She said that the Iran-contra scandal had not hurt Mr. Reagan internationally and praised him as "a great leader."



THATCHER AT WHITE HOUSE — Prime Minister Margaret Thatcher of Britain posing Friday with President Ronald Reagan outside the Oval Office. She said that the Iran-contra scandal had not hurt Mr. Reagan internationally and praised him as "a great leader." She urged him to continue working toward a U.S.-Soviet arms treaty. Page 5.

Korean-Americans Explore Their Heritage

By Fred Hiatt Washington Post Service SEOUL — They are the children and grandchildren of Koreans, high school students in Canada and the United States sent back to experience their heritage.

Despite the duress of curfews and discipline, many young people here said the two weeks have helped them grapple with troubling issues of identity and fitting in.

Most of them also maintain strong ties in the "motherland." Dr. H. S. Song, an Ontario scientist, said his 18-year-old daughter asked to be sent this summer.

ANC Ties Recent Deaths To Police 'Hit Squads'

By William Claiborne Washington Post Service JOHANNESBURG — Recent assassinations of African National Congress activists in Swaziland and elsewhere have raised concerns in the guerrilla organization that South African police are using "death squads" to accelerate a campaign against the movement.

French police first ransacked the Iranian Embassy, checking the identities of people going in and out, after a judge summoned an embassy interpreter, Wahid Ghorji, for questioning about terrorist bombings in Paris last year. Thirteen persons were killed and more than 150 injured in those bombings.

Italy Court Bars Arrests In Vatican Bank Inquiry

ROME — Italy's highest court nullified arrest warrants Friday for three Vatican bank officials, including its American-born president, Archbishop Paul C. Marcinkus.

The decision by the Court of Cassation was final, meaning Italian authorities cannot appeal it. The collapse of the Milan-based bank followed its failure to collect \$1.3 billion in bad loans. Italian financial officials have said that the Vatican bank was responsible for part of the bad debts because of "letters of patronage."

INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

Pakistan Keeps It Up

Halt American Aid

The arrest of a Pakistani trying to violate U.S. export laws shows once again how tenaciously Pakistan pursues the bomb. It also prompts a familiar chorus of State Department lamentations about the apparent violation, Pakistani protestations of an innocent, peaceful nuclear program and U.S. demands for good Pakistani behavior from now on.

There is indeed no guarantee that an aid cutoff will restrain Pakistan's evident ardor for the bomb. Nor on the other side is there any certainty that Pakistani opposition to the Soviet presence in Afghanistan will be reduced by a cutoff. Pakistanis have their own reasons to oppose that occupation.

An Ominous Pattern

Once again a Pakistani has been arrested in the United States for trying to smuggle out materials that could be used to build nuclear weapons. This time it was steel of a certain highly special type used in the uranium enrichment process.

There is indeed no guarantee that an aid cutoff will restrain Pakistan's evident ardor for the bomb. Nor on the other side is there any certainty that Pakistani opposition to the Soviet presence in Afghanistan will be reduced by a cutoff.

Why Believe Poindexter?

The congressional committees have many questions to ask John Poindexter about his role as national security adviser in the Iran-contra affair, but one question rises in the top: Why should anyone believe him?

3. The admiral insists that he told no one after approving the diversion proposal, made by Lieutenant Colonel Oliver North. Having savored the irony of using the ayatollah's money to arm the rebels in Nicaragua, could the admiral truly resist sharing this "neat idea" with Mr. Reagan?

OPINION You Can't Make Foreign Policy Without Congress

By Flora Lewis

PARIS — A cartoon in Le Monde shows Rear Admiral John Poindexter on the tube saying earnestly, "And I hid everything from the president." President Reagan, watching with delight, says, "Oh thank you, that's really nice of you."

and blamed Congress for being "fickle, vacillating, unpredictable" was an attitude shared by others in the White House.

When the executive is caught out, Congress in frustration legislates more constraints, more troublesome specifics. Then, and current senior White House officials have argued that this is inevitable, the executive plunges further into the muck because it can no longer do what it wants without breaking the rules.

Europeans are befuddled by the whole Iran-contra scandal. That is basically because they do not understand, or rather cannot digest, the U.S. constitutional system. Their governments come and go according to whether or not they have the confidence of their parliaments. It is inconceivable that they could experience what Le Monde's correspondent called "the unhealthy revival of the eternal battle between the legislative and the executive for control of foreign policy," so they cannot grasp the real meaning of checks and balances.

What is new in the perennial debate is the intrusiveness with which the administration refused to draw the constitutional consequences. If Congress cannot be persuaded to accept a policy, and the electorate endorses Congress, then the policy has to be modified.

AMERICAN opinion has not been so caajoled by martial rhetoric since General of the Armies Douglas MacArthur came back from the Far East 36 years ago, sacked by Harry Truman, and faded noisily away. The crisis, in that, is very much like the years that Oliver North's admirers are directing today at the colonel's congressional inquisitors.

South Korea: A Call for a Nonpartisan Interim Government

By Kim Dae Jung

The writer is a leader of the opposition in South Korea and a former presidential candidate.

SEOUL — President Chun Doo Hwan's decision to accept certain reforms advocated by the opposition is a welcome beginning toward restoring democracy in South Korea. But agreement on the general principles of democratization, including selection of the next president through direct elections, is much easier than refining the principles into specific changes.

The Chun regime is, in essence, a military dictatorship, although it has been pressured by the irresistible tide of popular will to accept the proposal for democratic reforms.

His recent cabinet reshuffling falls short of making the cabinet genuinely national and nonpartisan.

South Africa: In the End You Sit Down and Talk

By Alex Boraine

The writer is a co-founder of the Institute for a Democratic Alternative in South Africa.

DAKAR, Senegal — Despite the immense difficulties involved in organizing the recent meeting between a group of 61 Africans and 16 representatives of the African National Congress, the proceedings were successful. They have served to destroy the myth nurtured by the South African government that the international community, and in particular black Africa, seeks the downfall and the destruction of white South Africans.

12 years in the South African Parliament, abandoned our seats in protest following the implementation of the 1984 constitution that gave the president wide dictatorial powers and brought about the realization of our worst fears. More and more, Parliament was being bypassed. It had become a showpiece, with no real power.

need for a liberated economy in which blacks could participate equally with whites. Some felt we should have a free-enterprise system, others some form of socialism, or a mix. All these discussions went very well indeed.

Other Comment

Little Was Achieved in Dakar

The recent meeting in Senegal of African and African National Congress leaders did no harm. Less certain is whether it did any good. The two sides were certainly mismatched. The white team (despite the advance billing, not all of them were Afrikaners) included among the radical chic some serious players on the periphery of South African politics.

who spoke for their party with all the unanimous dedication to a common policy and platform which that entails.

Like Sandy Islands That Come and Go

By David S. Broder

BEAVER ISLAND, Michigan The beaches are back this year. The one on Iron Bay which washed out in last year's storms has been rebuilt, making it possible to drive a pickup truck around the island again. The high waters which threatened docks, homes and waterfront businesses here and in many other places on the Great Lakes have receded.

be true of American democracy at home and power in the world. The other evening, after a hike on the beach, I picked up a copy of a little booklet I had brought up here from Washington. Published last month by the Woodrow Wilson International Center for Scholars, a part of the Smithsonian Institution, the slim, 37-page volume with a red, white and blue cover bears the title, "Lessons From the Fall and Rise of Nations: The Future for America."

What's more, this nation has the values of a functioning democracy. Our kind of functioning democracy, our ability to deal with ethnic, religious, ideological plurality. This, he said, is what a lot of countries are groping for — "what they would like to achieve."

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

Like Sandy Islands That Come and Go By David S. Broder What's more, this nation has the values of a functioning democracy. Our kind of functioning democracy, our ability to deal with ethnic, religious, ideological plurality.

IN OUR PAGES, 75 AND 50 YEARS AGO 1912: At Bat for Liberty WILKES-BARRE, Pennsylvania — Thirty tramps arrested by the police of Plymouth Borough were taken before Burgess W.D. Morris. He decreed that he will lead a parade to the best baseball diamond in the borough.

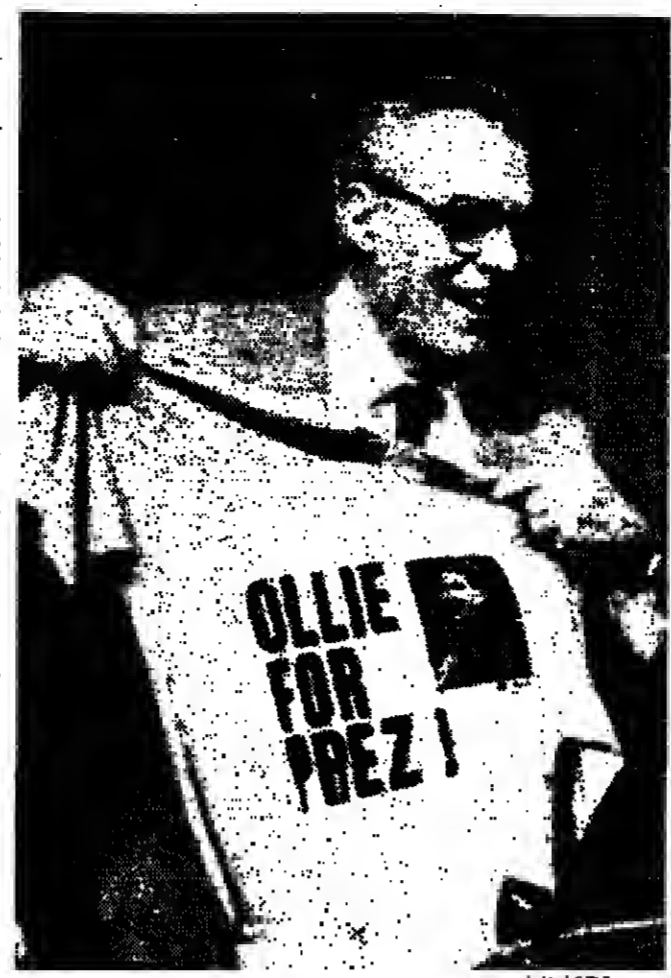
OTC... The New York Times... The Washington Post... Various small advertisements and notices on the right margin.

In Europe, Iran Hearings Stir Unease on U.S. Foreign Policy

By James M. Markham
New York Times Service
BONN — As the United States embarks on a new policy in the Gulf, the testimony of former officials about the Iran-contra affair is being widely viewed among its European allies as a sign of chaos at the heart of the Reagan foreign policy machinery.

or at forestalling an Iranian effort to close the Strait of Hormuz. If the American strategic motive is largely anti-Soviet — and many in Europe say they suspect that it is — many Europeans answer that the Russians already have a presence in the Gulf area, where they have legitimate interests, and that Moscow's goals broadly coincide with the West's in seeing that the Iranian...

matic confrontations with Iran. The beating of a British diplomat in Iran has led to a reduction by both Iran and Britain of their respective diplomatic presences to one man. Meanwhile, Paris has broken diplomatic relations with Tehran over a fugitive Iranian wanted for questioning in a French inquiry into terrorism.



Representative William S. Broomfield, a Michigan Republican who is on the Iran-contra panel, shows off a T-shirt touting Lieutenant Colonel Oliver L. North for President.

Thatcher, in U.S., Commends Reagan

By John M. Goshko
Washington Post Service
WASHINGTON — Prime Minister Margaret Thatcher of Britain, seeking to bolster President Ronald Reagan against the potential damage of the Iran-contra hearings, said Friday that the world needed U.S. leadership more than ever and that Mr. Reagan was "uniquely able to give it."

"I believe he's a great leader. Even during this difficult period, he has not let go his leadership role in any way. I don't think the Soviet side will find a politically weakened president."

KOREA: Seeking Heritage

(Continued from Page 1)
said, they wait a minute. Even though you speak English and had a lot of good friends, there was still a gap between white and Korean.

REAGAN: Both Parties Foresee Long-Term Damage

(Continued from Page 1)
cratic political consultant said: "The perception is that the Republicans have disappointed America. For the same reason that we had trouble re-electing Democrats after Jimmy Carter, the Republicans will now have trouble getting elected after Reagan."

New York, an aspirant for the Republican presidential nomination, said: "I don't buy the idea that the president is somehow dead in the water. The White House staff is behaving in a rather inept way. They need to go on the offense with some strong and positive moves on behalf of the freedom fighters in Central America."

affair, and you face a pretty dire situation," said Professor Charles O. Jones, a political scientist at the University of Virginia. A Republican, he is a former editor of The American Political Science Review.

FRANCE: Paris Breaks Ties With Tehran, Confines Envoys to Embassy

(Continued from Page 1)
with Iran and the tough police response represented a victory within the French government for parliamentarians of a firm response to terrorism, represented by Interior Minister Charles Pasqua and the security minister, Robert Pandraud.

Iranian chargé d'affaires said that a senior Foreign Ministry official, Didier Destexhe, had advised Mr. Gorbij to flee this country.

ANC: 'Hit Squads' Cited

(Continued from Page 1)
the movement's ability to wage guerrilla war in South Africa. Despite a 1982 nonaggression accord between South Africa and Swaziland, he said, evidence at terrorism trials had demonstrated that Swaziland was still an important conduit for guerrillas and weapons from Mozambique to South Africa.

INQUIRY: Focus on President

(Continued from Page 1)
How do we know that he isn't covering up now?"
Asked if he thought Mr. Reagan knew of the contra diversion, Mr. Byrd said: "It's very difficult for me to believe that he didn't know. If he didn't know, why didn't he ask?"

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 17th July 1987

Table with multiple columns listing various international funds and their current market values.

HOLIDAYS & TRAVEL

Cruises in Elegance
In the Mediterranean
TO THE GREEK ISLANDS, EGYPT, ISRAEL, TURKEY, THE USSR, YUGOSLAVIA AND ITALY

LEGAL SERVICES

DOMINICAN Attorney at Law
10152 Washington DC 20008
COLLECTORS
PRIVATE SALE OF COLLECTION OF 57 rare, leather-bound books signed by author L.E. Hubbard...

INTERNATIONAL CLASSIFIED

(Continued from Back Page)
HOLIDAYS & TRAVEL
TAILOR MADE SUITS
SERVICES
YOUR MAN IN NEW YORK

ESCORTS & GUIDES

ESCORTS & GUIDES
LONDON
Portman Escort Agency
ESCORT SERVICE
USA & WORLDWIDE

ESCORTS & GUIDES

ESCORTS & GUIDES
LONDON
Kensington
ESCORT SERVICE

Advertisement for 'Hit Squads' Cited, detailing the ANC's guerrilla activities and the role of 'hit squads' in South Africa.

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ECONOMIC SCENE

Increasingly, U.S. Firms Economize on Economists

By LOUIS UCHITELLE New York Times Service

NEW YORK — Among executive search firms, Handy Associates is a leader in recruiting professional economists for financial institutions and big corporations. But call Peter Vosburgh, the proprietor, and the first thing he says is that Handy is not taking applications from economists seeking jobs.

"Our activity level on economists is very low," Mr. Vosburgh explains. Dozens of companies have broken up or shrank their economics departments. They have done so as a cost-cutting measure, but also out of disillusionment with forecasts that in recent years have often failed to anticipate the twists of the uncertain U.S. economy.

"Forecasting became a source of irritation to management," said Walter B. Writton, the retired chairman of Citicorp. As a result, economists are being shifted from general analysis to practical line tasks, or "economic engineering," as Paul Samuelson, the Nobel laureate in economics, calls it.

A big chemical company, for example, recently transferred a front-office economist to the paint division, where he now figures out how changes in interest rates and construction activity might affect paint sales. Citicorp dissolved its big economics department 14 months ago, scattering most of the staff among various divisions.

Currency	U.S.		Other	
	1 month	3 months	1 month	3 months
Canada	4 3/4%	5 1/4%	4 3/4%	5 1/4%
France	5 3/4%	6 3/4%	5 3/4%	6 3/4%
Germany	4 3/4%	5 1/4%	4 3/4%	5 1/4%

Dewey Moves on Morgan

Seeks to Boost Stake to 5.2%

LONDON — Dewey Warren Holdings PLC, the insurance broker controlled by Robert Holmes & Court, the Australian financier, said Friday it planned to raise its stake in the British merchant bank Morgan Grenfell Group PLC to 7.85 million shares, or about 5.2 percent.

Dewey, which holds about 1.15 million shares in Morgan, also said it would launch a 2-for-1 rights issue of 25.4 million new shares. It said it would pay for the acquisition of Morgan shares through the issue of 13.05 million new Dewey shares.

Buying 6.7 million shares in Morgan would cost \$23.2 million (\$54.13 million), and Dewey is capitalized at about \$12 million. One analyst, noting that Mr. Holmes & Court is also a director of Standard Chartered PLC, suggested that Dewey's proposal to boost its stake in Morgan could be a prelude to a bid by Standard.

Later in the day Dewey Warren said it had agreed to buy the insurance-brokerage operation of Hogg Robinson Group PLC for \$116 million if a \$282 million bid for Hogg by the bank company TSB Group PLC succeeds.

Dewey said that it would pay for the unit through the issue of Dewey shares. Dewey's earlier announcement boosted Morgan's stock to 528 pence from 487 pence at Thursday's close, but it later eased to 515. Dewey requested a suspension of trading in its own shares pending the announcement, and they were frozen at 280 pence.

Standard narrowly escaped a takeover by Lloyd's Bank PLC last year when Mr. Holmes & Court bought shares and won a seat on Standard's board. Lloyd's is now able to bid again, but a purchase of Morgan would make Standard more difficult to digest, analysts suggested.

Although a potential bid for Morgan is possible, it is equally likely that Mr. Holmes & Court is launching an arbitrage operation to make a profit by forcing Morgan to seek a friendly offer, one analyst said.

Instrument	Rate
1 month Treasury bill	5 1/4%
3 month Treasury bill	5 3/4%
6 month Treasury bill	5 7/8%
1 year Treasury bill	6 1/8%

Olayan Investments Company Establishment

Owned by Saudi Arabia's Sultan bin Olayan, the company is based in Athens with these worldwide holdings:

U.S. Holdings	
• 8.8% First Chicago Corp.	• 4% Occidental Petroleum
• 5.3% Transamerica Corp.	• 1% J.P. Morgan & Co.
• 3% Thermo Electron Corp.	• 1% Chase Manhattan



Sultan bin Olayan: 'Never a hostile position'

Olayan Scorns Role of Black Knight

Mild Saudi Extends Empire in 'Friendly' U.S. Purchases

By William G. Shepherd New York Times Service
LONDON — When shares of Transamerica Corp. shot up last month, rumors ricocheted around Wall Street that Primmica Corp. or Ford Motor Co. might be preparing a takeover bid. Then onto the scene last week stepped one of the world's largest and least-known private investors, disclosing that he had a significant position in the San Francisco-based insurance and financial services company.

Sultan bin Olayan of Saudi Arabia, whose other investments range from Occidental Petroleum Corp. to First Chicago Corp., disclosed that from May through early July he had added almost 1.3 million shares to a position he began accumulating in 1985.

On July 1, one of his investment entities, Compotrol BV1 of the British Virgin Islands, disclosed to the Securities and Exchange Commission that it had acquired 5.29 percent of Transamerica, sending the stock to a 12-month high of \$45.75. The stock closed at \$41.25 Thursday on the New York Stock Exchange.

In an interview at the town house that serves as his London branch office, Mr. Olayan denied that he was putting Transamerica in play by opening bidding in a takeover contest, or that he was acting as a "white knight" to scare off potential raiders. Mr. Olayan made it clear that he is a friendly investor with no takeover in mind.

"We have never taken a hostile position in a company," said Mr. Olayan, 68, who lives in Riyadh. A short, broad man in a rumpled suit, he puffed repeatedly on cigarettes and squinted as if in the desert sun. "We are not a black knight." Nor does he relish playing the role of white knight, although he said he once helped a British company, which he prefers not to name, ward off a raider a few years ago.

Mr. Olayan is not averse to acting as what he calls a "red knight," someone who takes a position supporting management in advance of any specific threat. Aziz D. Syrini, Mr. Olayan's second-in-command, said, "We heard the Ford and Primmica rumors a week or so ago and tried to check them out. It may be that our own buying caused the rumors. We can't be sure."

Frank C. Herring, president of Transamerica, advanced the same theory. "As far as we know, that is the only explanation," he said. "As far as we know, we have been disrupted, or will be. So, this has been an overreaction." Still, Mr. Lichtenau and others said that apprehensions about the sale are likely to surface again when Kuwaiti oil tankers begin sailing under the U.S. flag, ending them to protection by U.S. warships. Preparations for such a "reflagging" are under way.

Housing Starts In U.S. Declined 0.7% in June

WASHINGTON — Housing construction in the United States, hit by a sharp rise in mortgage rates, fell in June for the fourth consecutive month, something that has not occurred in six years, the government said Friday.

The Commerce Department said construction of new homes and apartments dropped 0.7 percent in June to a seasonally adjusted annual rate of 1.59 million units. It was the slowest annual construction pace since August of 1984 and it was the first time since mid-1981 that housing construction has declined four months in a row.

Nevertheless, housing industry analysts and government officials seemed unperturbed. "The housing market appears to be settling down following the upturn in mortgage rates experienced in April and May," said James Fischer, president of the National Association of Home Builders.

Mortgage rates shot up more than 1.5 percentage points between April and May when financial markets began worrying about inflation and the prospects for a U.S. trade war with Japan. Mortgage rates have begun to recede and further declines should spur single-family starts this summer and fall," predicted Robert Ortner, the Commerce Department's undersecretary for economic affairs. So far this year builders have begun work on 831,400 homes, 10.8 percent fewer than at this point in 1986. That puts them on track to start

France Reports Trade Deficit of 3.9 Billion FF

PARIS — France posted a merchandise trade deficit of 3.9 billion francs (\$637 million) in June on a seasonally adjusted basis, the External Trade Ministry said Friday.

The figure was lower than the seasonally adjusted deficit for May of 5.6 billion francs, but was more than three times the June 1986 deficit of 1.262 billion francs. For the first six months of 1987, the deficit was 19.6 billion francs, compared to 7.2 billion francs in the first half of last year. French exports rose to a seasonally adjusted 73.2 billion francs in June, a 5.7 percent gain from May. Imports were up 2.5 percent at 77.1 billion francs.

Mexico Raises Oil Prices

Mexico, the third-largest foreign supplier of oil to the United States, will raise export prices on its crude oil by 30 cents a barrel from Aug. 1, an official at Pemex, the state-owned oil company, said Friday, United Press International reported.

Currency Rates

Currency	U.S.	Other
Canada	1.00	0.74
France	1.00	6.55
Germany	1.00	1.94

U.K. Doubt on EMS Status Reflects Mixed Blessings

By Carl Gewirtz International Herald Tribune
PARIS — The English, call it "the French syndrome" — a shorthand expression to describe what they regard as the certain economic garrotting resulting from long-term, full membership in the European Monetary System.

It is being heard frequently as Britain's interminable, internal debate on whether to join the exchange-rate mechanism of the EMS has accelerated, following Prime Minister Margaret Thatcher's victory in the election she called last month. Mrs. Thatcher had said in January that Britain was unlikely to join the managed currency float before the election.

The debate pits Mrs. Thatcher and her chief advisers against most of Britain's financial community. Some analysts trace this reluctance to a belief that the price of membership, in its limitations on economic policy, might not be worth the benefits. In this way the debate echoes the continued domestic rumblings against Britain's membership in the European Community itself.

Created in 1979, the system of fixed-rate exchange rates allows periodic currency adjustments to reflect variations in members' economic policies. But the main goal is to create a zone of stable rates to protect intra-European trade from disruption caused by the extreme volatility of the U.S. dollar. In turn, European-made products become more competitive, or less so, in world markets as the dollar rises and falls.

Japan Simplifies Bidding In Its Supercomputer Market

TOKYO — In a move to defuse tensions over supercomputer trade, Japan's government announced Friday that it was changing its bidding procedures for the sophisticated instruments.

The United States has complained that companies have been unable to sell supercomputers to the Japanese government partly because of complicated and discriminatory bidding procedures. U.S. companies have complained that government agencies did not publicize their intent to buy or lease supercomputers and were not always clear on the specifications for the machines that perform calculations and analytical functions at lightning speed.

In March, Japanese newspapers reported that Japan planned to buy several American supercomputers, at about \$20 million each, for use by government agencies and national universities. The purchases were intended to convince the U.S. government to reduce or lift \$300 million of tariffs imposed on selected Japanese products in a dispute over a trade agreement on computer chips. Last month, the United States cut the tariffs by 851 million.

The new bidding system, to be introduced Aug. 1, would require all government agencies to declare their buying or leasing intentions for supercomputers in the official government gazette. Government agencies would have to give detailed requirements, and if asked, would have to explain their choice to unsuccessful bidders. U.S. officials welcomed the announcement. "We worked out these changes with them in Tokyo a month ago," said Douglas Newkirk, an assistant U.S. trade representative.

Interest Rates

Instrument	Rate
1 month Treasury bill	5 1/4%
3 month Treasury bill	5 3/4%
6 month Treasury bill	5 7/8%
1 year Treasury bill	6 1/8%

Gold

Location	Price
A.M. (COMEX)	\$328.50
P.M. (COMEX)	\$328.50
Zurich (LBMA)	\$328.50
London (LBMA)	\$328.50
New York	\$328.50

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NYSE Most Actives	
Vol.	High Low Last Chg.
AT&T	3,741 23 1/2 23 3/4 -
USX	3,637 23 1/2 23 1/2 -
WCA	3,600 21 1/4 21 1/4 -
Conoco	3,577 21 1/4 21 1/4 -
IBM	3,577 21 1/4 21 1/4 -
Verity	3,577 21 1/4 21 1/4 -
IRI	3,577 21 1/4 21 1/4 -
KFT	3,577 21 1/4 21 1/4 -
Phillips	3,577 21 1/4 21 1/4 -
IBN	3,577 21 1/4 21 1/4 -
Talbot	3,577 21 1/4 21 1/4 -
GenCorp	3,577 21 1/4 21 1/4 -

Market Sales	
NYSE 4 A.M. volume	269,980,000
NYSE prev. close	269,980,000
Amer. exch. volume	14,400,000
OTC 4 A.M. volume	1,500,000
OTC prev. a.m. volume	1,500,000
NYSE volume down	2,100,000
Amer. volume up	2,100,000
OTC volume down	2,100,000
OTC volume down	2,100,000

NYSE Index	
	High Low Close Chg.
Composite	1167.73 1167.16 1167.73 +0.57
Industrial	1524.34 1523.87 1524.34 +0.47
Transport	1347.31 1346.84 1347.31 +0.47
Finance	1577.12 1576.65 1577.12 +0.47

Frídáys
NYSE
Closing
Via The Associated Press

AMEX Diary	
	Close Prev.
Advanced	34 33
Unchanged	18 18
Total Issues	18 18
New High	18
New Low	18

NASDAQ Index	
	Close Chg. Week Ago
Composite	413.30 +0.17 413.30
Financial	413.30 +0.17 413.30
Industrial	413.30 +0.17 413.30
Transport	413.30 +0.17 413.30
Total	413.30 +0.17 413.30

AMEX Most Actives	
Vol.	High Low Last Chg.
AMCO	250 23 1/4 23 1/4 -
AMER	200 21 1/4 21 1/4 -
AMER	200 21 1/4 21 1/4 -
AMER	200 21 1/4 21 1/4 -
AMER	200 21 1/4 21 1/4 -
AMER	200 21 1/4 21 1/4 -

Dow Jones Bond Averages	
	Close Chg.
Bonds	81.49 -0.04
Utilities	81.49 -0.04
Industrials	81.49 -0.04

NYSE Diary	
	Close Prev.
Advanced	918 911
Declined	659 659
Unchanged	422 422
Total Issues	1979 1979
New High	1979
New Low	9

Odd-Lot Trading in N.Y.	
	Buy Sell
July 16	28,229 47,603
July 17	115,201 25,671
July 18	246,778 26,225
July 19	243,931 26,225
July 20	251,972 47,680

Dow Jones Averages	
	Open High Low Last Chg.
Indus.	2504.22 2510.44 2496.84 +11.07
Transp.	1647.71 1652.00 1632.70 +9.99
Utitl.	82.08 82.15 81.93 +0.02
Comp.	254.6 255.5 253.1 +1.24

Standard & Poor's Index	
	High Low Close Chg.
Industrials	348.3 348.1 348.2 +1.0
Transport	252.2 252.7 252.0 +0.8
Utilities	11.9 11.9 11.9 +0.0
Finance	21.8 21.8 21.8 +0.1
Total 100	314.9 315.3 315.2 +0.4

NASDAQ Diary	
	Close Prev.
Advanced	1259 1259
Declined	582 582
Total Issues	1841 1841

AMEX Stock Index	
High Low	Open Close
152.7 152.7	152.6 152.6

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Dow Closes Above 2,500 Mark

NEW YORK — New York stock prices advanced again Friday, with the Dow Jones industrial average closing above the 2,500 level for the first time.

Dow Jones' average of 30 blue chips rose 13.07 to 2,510.04 at the close.

Advancing stocks led declining ones by about 6 to 5.

The Dow average, which had topped 2,500 briefly on Thursday, moved past the mark again Friday, with the help of a strengthening dollar in foreign exchange and a decline in open-market interest rates.

Consolidated volume amounted to 200.6 million shares, down from 245.4 million on Thursday.

Prices were mixed in active trading of American Stock Exchange issues.

Analysts said also that the key to the market's advance is the tremendous amount of cash available for investment.

"The market is healthy and bolstered by foreign investors' appetite for stocks," said Eugene Peroni Jr., head of technical analysis at Janney Montgomery Scott Inc. in Philadelphia. "The buying force is powerful."

"The performance from all quarters was impressive," said Hugh Johnson, portfolio strategist at First Albany. "The dollar strengthened, the bond market followed and the stock market took its cues from both."

New World Entertainment Ltd. said it had made an unsolicited \$41-a-share merger offer for Kenner Parker Toys Inc., the maker of the board games Monopoly and Trivial Pursuit.

The companies said it would consider New World's offer.

Kenner Parker advanced on speculation that the offer would trigger other bidding for the company. Kenner has about 11.7 million shares outstanding.

Wall Street applauded Coca Cola's decision to buy back up to 40 million of its own shares over the next three years, traders and analysts said. "It's not the buyback that is the surprise," one trader said. "It's the size of the buyback that is the surprise."

"We are talking about more than 10 percent of the shares outstanding," said George Thompson, an analyst with Prudential-Bache Securities, noting that the company has about 378 million shares outstanding.

"This is a continuation of a market trend," another trader said. "Coke is buying back shares and thus telling the market that it believes in the value of its own shares."

He noted that Philip Morris, another company with fast food concerns, announced a \$1 billion share repurchase Thursday.

Penn Central's board approved a spin off of Sprague Technologies.

Stone & Webster said second-quarter earnings rose to \$2.05 a share from \$1.31 in the year-ago quarter.

Wheeling-Pittsburgh Steel reported a second-quarter profit of \$39.3 million, or \$7.25 a share, compared to losses a year ago of \$60.3 million. It attributed its results to its product mix and higher steel prices.

Table with multiple columns for various stock indices and individual stock prices. Includes sections for NASDAQ Index, Dow Jones Averages, Standard & Poor's Index, and numerous individual stock listings.

Table with multiple columns for various stock indices and individual stock prices. Includes sections for NYSE Most Actives, Market Sales, NYSE Index, and numerous individual stock listings.

AGENCY A

Signposts

Friday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Market summary table with columns for High, Low, Open, High, Low, Close, Chg.

Table of market data including various stock indices and commodity prices.

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NYSE High-Lows

Table listing NYSE high and low prices for various stocks.

Company Results

Table listing financial results for various companies.

To Our Readers

Currency option prices were not available in this edition because of technical problems.

4 Charged with Fraud Bailed at London Court

LONDON - A court has granted bail of £100,000 (\$163,000) each to four men charged with fraud in connection with the alleged loss of £15.6 million at Alexander Howden Group, a British insurance broker and underwriter.

Financial

Table listing financial data and market indices.

Commodity Indexes

Table listing commodity prices and indices.

United States

Table listing financial results for United States companies.

RJR Nabors

Table listing financial results for RJR Nabors.

Security Pacific

Table listing financial results for Security Pacific.

Paris Commodities

Table listing commodity prices in Paris.

London Commodities

Table listing commodity prices in London.

Dividends

Table listing dividend payments for various companies.

Spot Commodities

Table listing spot commodity prices.

U.S. Treasuries

Table listing U.S. Treasury bond prices.

DM Futures Options

Table listing DM futures options prices.

Market Guide

Table listing market guides for various exchanges.

REVERSE STOCK-SPLIT

Table listing reverse stock-split information.

STOCK SPLIT

Table listing stock split information.

Large advertisement for 'Mon days in the Trib' featuring 'William Safire on Language' and 'To Our Readers'.

BUSINESS ROUNDUP

Court Orders Guinness Fee Repaid

Complied by Our Staff From Dispatches LONDON — The High Court on Friday ordered a former Guinness PLC director, Thomas J. Ward, to return immediately to the huge brewer the £5.2 million (currently \$8.47 million) he received as fees during the company's takeover of Distillers Co. last year.

Guinness is being investigated by the Department of Trade and Industry for its tactics in the £2.7 billion takeover.

It has admitted arranging for the apparently illegal repurchase of its stock in an apparent effort to boost its share price and makes its cash-and-stock offer for Distillers, a Scotch whisky and gin maker, more attractive.

A former Guinness chairman and chief executive, Ernest Saunders, who has been fired and faces charges of obstructing justice, secretly agreed to pay Mr. Ward the fee for what they claimed were his services in the takeover.

Guinness, whose board was not informed of the payment, has been seeking to recover that money and

he was entitled to payment for his services.

Mr. Ward, a U.S. lawyer who was formerly head of Guinness America, also claimed that no judgment could be entered that would require immediate repayment to Guinness, since he was entitled to pursue cross-claims of his own against Guinness.

But the court decided that it would be unfortunate if a director who had secretly received remuneration without proper authority was entitled to retain it until a possibly groundless claim had been determined.

Mr. Ward claimed that, even if he was liable to repay the money,

he was entitled to payment for his services.

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Mr. Ward claimed that, even if he was liable to repay the money,

Nissan Motor Profit Fell 43% in Year

United Press International TOKYO — Nissan Motor Co., Japan's No. 2 automaker, reported Friday that net profit fell 43 percent to 20.37 billion yen (currently \$135.8 million), or 9.23 yen a share, in the year ending March 31, from 35.67 billion yen, or 16.36 yen, the previous year.

trillion yen, down 8 percent from 4.63 trillion.

It said foreign exchange losses caused by the yen's appreciation amounted to the equivalent of around \$4.3 billion.

The company said its U.S. subsidiary posted lower profits because of the strong yen.

ITT Considers Sale of Stake In Britain's STC

The Associated Press NEW YORK — ITT Corp. confirmed Friday market rumors that it is considering the sale of its 24 percent stake in STC PLC, a British company making electronics and telecommunications equipment.

ITT's 131 million shares in STC have risen in value to about \$700 million, up from a little under \$300 million last March and \$500 million in March, based on prices on the London Stock Exchange.

James Gallagher, a spokesman, said ITT hopes to decide within the next several months. STC, the former Standard Telephones & Cable, was once a wholly owned ITT subsidiary. ITT's other big interest in telecommunications is its 37 percent stake in Alcatel NV, a joint venture with Compagnie Generale d'Electricite of France.

TW Services Agrees to Buy Denny's for \$843 Million

The Associated Press LOS ANGELES — TW Services Inc. has agreed to acquire Denny's Inc., the U.S. restaurant and doughnut shop operator, in a transaction valued at about \$843 million.

The companies said Thursday they had approved a plan in which TW Services would pay \$218 million in cash and assume \$625 million in Denny's debt.

TW Services, a food services and retirement care company based in New York, was formed Dec. 30 from certain operations of Transworld Corp., the former parent of Trans World Airlines.

The company said it was considering ways to finance the acquisition, including joint ventures, the assumption of debt and the sale of some of Denny's nationwide assets.

Denny's based in La Mirada, California, operates about 1,200 family restaurants across the United States under the Denny's name. It also owns 70 El Pollo Loco outlets that sell Mexican-style charbroiled chicken and retains a 42 percent stake in Winchell's Donuts Shops with 800 outlets nationwide.

Denny's was a public company until 1985, when it was sold to members of its management and Merrill Lynch Capital Markets for \$753.4 million. It had revenues of

\$1.2 billion in its most recent fiscal year.

"Denny's is a well-managed, profitable operation with excellent growth potential in businesses we understand," said Frank Salizzoni, chairman and chief executive of TW Services, which owns 600 Canadian restaurants in the southern United States.

Its announcement follows the failure of negotiations by Marriott Corp. of Bethesda, Maryland, to buy Denny's and create the biggest U.S. family restaurant operation.

Marriott runs the Big Boy restaurant chain and more than 140 hotels, chains food for more than 150 airlines and has Roy Rogers fast-food outlets and Hot Spop cafeterias.

Marriott was reported to have initially offered between \$875 million and \$880 million for Denny's, but then angered the company's management by seeking to lower the price to about \$850 million.

TW Services said it began talks with Denny's before negotiations with Marriott broke down.

Denny's chairman, Vern Curtis, will step down after the takeover by TW Services is completed in September, but its president, Donald Pierce, will remain.

TW Services' three operating segments are Canteen, Spartan Food Systems and American Medical Services.

Austrian State Industry Posts Losses

Reuters VIENNA — The holding company for Austria's state industries said Friday it posted a loss of 11 billion schillings (\$846 million) in 1986, and its chairman warned that "extraordinarily harsh measures" were needed.

The figure compared with a 1985 loss of 14 billion schillings for Österreichische Industrieholding-Aktiengesellschaft AG, or OIAG.

"We are like a general store which offers the whole range of goods in a village and must compete with supermarkets," said Hugo Michael Sekyra, the chairman. "If we do not become supermarkets in a few sectors, we will be threatened with the same death as the village store."

Mr. Sekyra said that the giant engineering and steel conglomerate

Voest-Alpine AG and the steelmaker Vereinigte Edelmetallewerke accounted for most of the loss.

He said that "dramatic" reductions in personnel were needed.

State industry accounts for 20 percent of Austria's output, and Socialist governments traditionally has subsidized those industries to maintain jobs. But the current government coalition has said that the situation cannot continue.

OIAG's work force was reduced by 6,000 to 96,254 in 1986 and by another 6,000 in the first six months of this year.

Mr. Sekyra predicted a net loss for OIAG of about 15 billion schillings for 1987, with Voest-Alpine responsible for about 4.5 billion schillings of that total, VEW for 2.5 billion and the chemical company Chemie Linz AG for 1 billion.

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

Table with multiple columns for various companies (United States, Champion Spark Plug, Gannett, etc.) showing financial data for 1987 and 1986.

New World Pictures Offers \$402 Million for Kenner

The Associated Press LOS ANGELES — New World Pictures Inc., which owns Marvel Comics and produces children's films, offered Friday to pay \$401.8 million for the 91.6 percent of Kenner Parker Toys it does not already own.

New World termed its \$41 per share offer "fair and generous" but said it would be willing to go higher in a friendly takeover "if additional value in the company can be demonstrated."

Kenner Parker stock rose to \$45.875 share Friday, up \$5.50 from Thursday's close. The company's stock has risen from a low of \$18 per share during the past year amid speculation that a takeover bid would be made.

New World said its offer would expire next Friday. Kenner Parker, formed in late 1985 when General Mills spun off Kenner Products of Cincinnati and Parker Bros. of Beverly, Massachusetts, said it would consider the offer.

Among its leading products are Kenner's Care Bears line, Mask Transformer toys, Nerf balls and Parker board games such as Monopoly, Clue and Trivial Pursuit. New World said it considered the proposed acquisition a logical extension of its existing businesses.

New World's bid for Kenner Parker comes eight months after it agreed to acquire Marvel for a reported \$50 million.

In the first quarter, New World earned \$10.7 million, or 73 cents per share, on revenue of \$84.2 million, but those results included a \$3.2 million gain on the sale of some stock holdings.

Kenner Parker reported Friday that its earnings were up by 115 percent to \$11.4 million, or 93 cents per share, in the second quarter, from \$5.3 million, or 39 cents per share, a year earlier.

EMS: U.K. Doubt on Mixed Blessings

(Continued from first finance page) low of 90 recorded in 1985, and the highest it has been since 1983.

There has also been a less dramatic improvement against its four largest EMS partners, but against its seven largest trading partners France still has a lot of catching up to do, with the latest index at 98.3 — well below the high of 105.8 set in 1983.

Nevertheless, government officials are convinced that they are narrowing the competitive gap and will be in a position to exact the benefits the EMS bestows on countries opting for a strong currency.

The choice to move toward West Germany's hard currency stance was an easy one for EMS dollar members thanks to the U.S. dollar entering a period of sustained revaluation. This gave a tremendous edge to European exports, while declining oil prices also helped European industry.

In Britain, meanwhile, the EMS debate currently involves the merits of membership against the current de facto pegging of sterling to the Deutsche mark, at just under 3 DM to the pound, a link that car-

ries none of the obligations to maintain it.

The informal peg gives British industry the relative exchange rate stability needed for investment decisions. But the country's rising labor costs put Britain far outside the current norms elsewhere.

Data for the fourth quarter of last year shows British hourly earnings in manufacturing increasing at a rate double that of Germany's and Italy's, more than double the rate in France and better only than Greece and Spain.

Thus, the only real advantage for Britain joining the EMS when the major strain will be undergoing system itself from the renewed competitiveness of the United States would be if Mrs. Thatcher decides she needs "the external scapegoat" cited by Mr. Simkin to impose wage discipline at home.

"Mrs. Thatcher sees no benefit she can pocket," says Mr. Lomax. Membership, he adds, "will become easier over time as we become more integrated into Europe. There's no overriding political argument in favor, and there's no cost to her bargaining on outside waiting."

Friday's AMEX Closing. Tables include the nationwide prices up to the closing on Wall Street and do not reflect trade elsewhere. In The Associated Press.

Main financial table with columns for High, Low, Stock, Div, Yld, PE, etc. for various companies.

Main financial table with columns for High, Low, Stock, Div, Yld, PE, etc. for various companies.

OTC Market. Includes text 'OTC Market' and 'Market Jump Re'.

CURRENCY MARKETS

Dollar Jump Recoups Week's Losses

NEW YORK — The dollar continued its recovery Friday in New York and Europe, boosted by bargain-hunting from Japanese investors and strong oil prices.

By rising more than two pence against the Deutsche mark and two yen on the Japanese currency, the dollar more than regained the ground it lost Wednesday on the unexpected rise in the U.S. trade deficit for May.

Table with 2 columns: Currency, Rate. Includes London Dollar Rates for various currencies like Swiss Franc, Japanese Yen, etc.

Dealers also said market participants were also ordering dollars to pay for oil. North Sea and U.S. crude oil prices remained firm Friday, above \$20 a barrel.

Miyazawa Says Dollar Fell Too Far After Pact

NEW YORK — Japan's finance minister, Kiichi Miyazawa, said an agreement among the industrialized countries in September 1985 to curb the dollar's rise sought to lower its value only to 220 yen from around 240, a Japanese news service reported Friday.

Mr. Olayan may be the precursor of a new breed: a more conservative Saudi investor with middle-class roots who built an empire without engaging directly in the oil business and without connections, at least initially, to the Saudi royal family.

Mr. Olayan is president of Olayan Investments Co. Establishment, the parent company that is known popularly as the Olayan Group. From its base in Athens, the company manages 50 subsidiaries in the Middle East, the United States, Britain and New Zealand and in tax-haven nations.

OLAYAN: 'Shy' Saudi Extends Empire Through Friendly Purchases in U.S.

(Continued from first finance page) there's no substance to the rumors," he said. "We think it was Olayan's buying."

Mr. Syriani is president of Olayan Investments Co. Establishment, the parent company that is known popularly as the Olayan Group. From its base in Athens, the company manages 50 subsidiaries in the Middle East, the United States, Britain and New Zealand and in tax-haven nations.

the U.S. public. Mr. Olayan is well known in chief executive circles. His American friends include Secretary of State George P. Shultz, Secretary of Defense Casper W. Weinberger and Henry A. Kissinger, the former secretary of state.

By diversifying widely into U.S. and European securities, Mr. Olayan is thriving. Most of the Olayan investments are in ordinary portfolio holdings, but a few larger ones, such as the Transamerica position, are treated as "core investments" for strategic business relationships, he said.

deriving and reinsurance services across the Middle East. Mr. Olayan was introduced to Transamerica's chairman, James R. Harvey, about four years ago by a Transamerica shareholder.

The Olayan Group began purchasing shares in October 1985, when Transamerica's stock was at \$26. Its current position of 3.45 million shares plus 550,000 call options, purchased for a total of \$145 million, makes it Transamerica's second-largest shareholder.

Will the Olayan Group now seek a seat on Transamerica's board? "We don't want to go on any board unless we're specifically asked and we can bring something special to the table," Mr. Olayan said.

Transamerica has been undervalued, Mr. Olayan said, because it was such a mixed bag that "the analysts couldn't figure it out."

Japan Approves More Spending

TOKYO — The key lever house of the Japanese parliament, or Diet, approved a \$13.9 billion supplementary budget Friday that is designed to stimulate the economy and ease trade friction.

Brazil Is Said to Expect No New IMF Loans

SAO PAULO — Brazil does not foresee any new loans from the International Monetary Fund this year or next, according to an economic plan drawn up by Finance Minister Luiz Carlos Bresser Pereira, press reports said.

Transamerica director, Myron Du Bain, currently the chairman of the management consulting firm SRI International.

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Large table with multiple columns and rows, likely a stock market index or list of companies with their respective prices and changes.

Table with columns for stock symbols, prices, and changes. Includes various company names like ABC, DEF, GHI, etc.

Table with columns for stock symbols, prices, and changes. Includes various company names like JKL, MNO, PQR, etc.

Table with columns for stock symbols, prices, and changes. Includes various company names like STU, VWX, YZA, etc.

Table with columns for stock symbols, prices, and changes. Includes various company names like BCD, EFG, HIJ, etc.

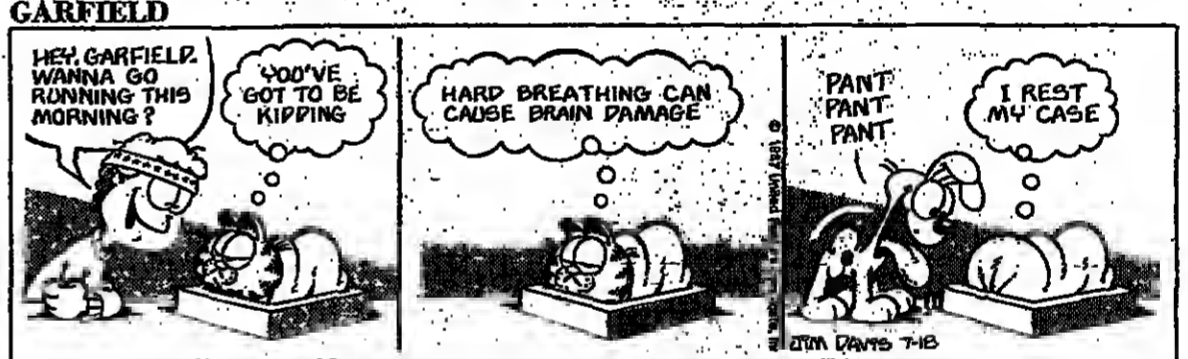
Table with columns for stock symbols, prices, and changes. Includes various company names like KLM, NOP, QRS, etc.

Euro-Commercial Paper

Table with columns for dates (15-45 days, 46-75 days, 76-105 days, 106-135 days, 136-165 days, 166-183 days) and corresponding financial data.

- ACROSS**
- 1 Kind
 - 5 Sugary
 - 10 Ignominy
 - 15 He portrayed
 - 19 Sufficient, to
 - 20 The
 - 21 Fragrant wood
 - 22 Lamb related
 - 23 Shaped like a sea anemone
 - 25 Allies the
 - 27 Puts back in original shape
 - 28 Hymn
 - 30 True
 - 31 Stratum
 - 32 Clans
 - 33 Foundation
 - 35 Nappers
 - 38 Of
 - 39 atmospheric weight
 - 40 Seci founded in Alexandria
 - 43 on (with love)
 - 44 Cup-shaped
 - 46 Scottish negative

Shaping Up By Kathryn Righter



- DOWN**
- 1 Char the surface
 - 2 Fairy-tale beginning
 - 3 Decays
 - 4 Bird sounds
 - 5 English
 - 6 Thin cracker
 - 7 Personalities
 - 8 Where Nor. is
 - 9 Type of water-based paint
 - 10 Horse withdrawn from a race
 - 11 "Time wounds all"
 - 12 Furniture style
 - 13 Vandalize

- DOWN**
- 14 Transgress
 - 15 Adjective for Ash
 - 16 Aquatic plant
 - 17 European canal
 - 18 Relaxation
 - 24 Bete (bugbear)
 - 26 State of NE
 - 29 Skewer
 - 32 Shropshire
 - 33 Best
 - 34 Tunes
 - 35 Computer input
 - 36 Bradley and Khayyam
 - 37 Girdle-shaped

COMMANDER IN CHIEF: Franklin Delano Roosevelt, His Lieutenants and Their War

By Eric Larrabee, 732 pages, \$25. Harper & Row, Publishers Inc., 10 East 53rd Street, New York, N. Y. 10022.

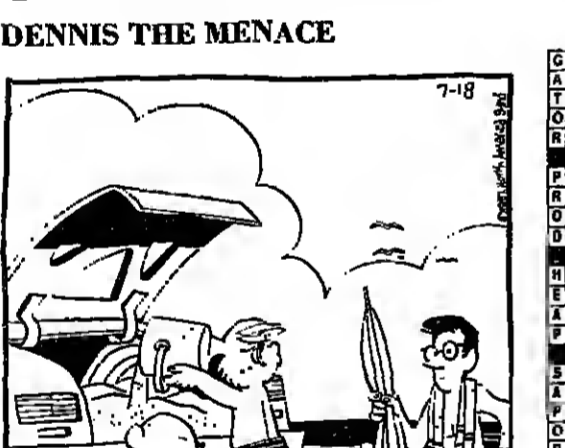
BOOKS

description of D-Day and the fighting on Omaha Beach. That action has seldom been better described and certainly not in so short a space.

Reviewed by Drew Middleton

AMONG the many books written about the American command in World War II, Eric Larrabee's "Commander in Chief: Franklin Delano Roosevelt, His Lieutenants and Their War" is outstanding. The productive research, the insight into the men and their problems and the skill and fluidity of Larrabee's prose set it apart.

But in dealing with Eisenhower and his command, the author gives a frank and fairly detailed study of the supreme allied commander's problems with his subordinates — Montgomery and Patton. In describing Eisenhower, he notes something most biographers have missed: Behind the grin lay a sharp, cold, decisive mind that in the end went its own way.



Solution to Last Week's Puzzle

ACROSS: 1. ALICE, 2. SUAVE, 3. BUCKLE UP, 4. OVERSTATE, 5. SPINE, 6. RUBEN, 7. REMAINS, 8. TIA, 9. BARONET, 10. GLE, 11. GIANI, 12. PROLEG, 13. UNTRADE, 14. FOR, 15. RELS, 16. SAVE, 17. AGED, 18. CASE, 19. OOD, 20. UNDETERMINED, 21. POSSIBLE, 22. DONTING, 23. TABLE, 24. SUNDAY, 25. HELD, 26. REBEL, 27. AUTOCRAT, 28. BELTON, 29. MORNING, 30. YET, 31. AGE, 32. ABBY, 33. RING, 34. BIVE, 35. SCUL, 36. PAH, 37. LETTERHEADS, 38. BAKER, 39. MORE, 40. ESISTE, 41. VA, 42. BIRD, 43. BIR, 44. BIR, 45. BIR, 46. BIR, 47. BIR, 48. BIR, 49. BIR, 50. BIR, 51. BIR, 52. BIR, 53. BIR, 54. BIR, 55. BIR, 56. BIR, 57. BIR, 58. BIR, 59. BIR, 60. BIR, 61. BIR, 62. BIR, 63. BIR, 64. BIR, 65. BIR, 66. BIR, 67. BIR, 68. BIR, 69. BIR, 70. BIR, 71. BIR, 72. BIR, 73. BIR, 74. BIR, 75. BIR, 76. BIR, 77. BIR, 78. BIR, 79. BIR, 80. BIR, 81. BIR, 82. BIR, 83. BIR, 84. BIR, 85. BIR, 86. BIR, 87. BIR, 88. BIR, 89. BIR, 90. BIR, 91. BIR, 92. BIR, 93. BIR, 94. BIR, 95. BIR, 96. BIR, 97. BIR, 98. BIR, 99. BIR, 100. BIR, 101. BIR, 102. BIR, 103. BIR, 104. BIR, 105. BIR, 106. BIR, 107. BIR, 108. BIR, 109. BIR, 110. BIR, 111. BIR.

WEATHER

EUROPE	HIGH	LOW	ASIA	HIGH	LOW
Algeria	26	17	Beijing	31	22
Amsterdam	20	15	Bangkok	31	22
Antwerp	20	15	Batavia	31	22
Athens	20	15	Bombay	31	22
Bahia	20	15	Buenos Aires	31	22
Bahrel	20	15	Calcutta	31	22
Bangkok	20	15	Colon	31	22
Berlin	20	15	Hankow	31	22
Bombay	20	15	Hong Kong	31	22
Buenos Aires	20	15	Kobe	31	22
Calcutta	20	15	London	20	15
Colon	20	15	Manila	31	22
Hankow	20	15	Peking	31	22
Hong Kong	20	15	Shanghai	31	22
Kobe	20	15	Singapore	31	22
London	20	15	Taipei	31	22
Manila	20	15	Tokyo	31	22
Peking	20	15			
Shanghai	20	15			
Singapore	20	15			
Taipei	20	15			
Tokyo	20	15			

World Stock Markets

Via Agence France Presse Closing prices in local currencies, July 17.

Market	Index	Change
Amsterdam	486.49	+0.69
Brussels	1178.17	+1.17
Frankfurt	3138.91	+0.91
London	2728.24	+0.24
Paris	1182.12	+0.12
Stockholm	122.22	+0.22
Sydney	1182.12	+0.12
Zurich	1182.12	+0.12

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Paris	1182.12	+0.12
Stockholm	122.22	+0.22
Sydney	1182.12	+0.12
Zurich	1182.12	+0.12

SATURDAY FORECAST - CHAMBERS, CHERRY, FRANKFURT: Showers, 11-12 (13-24).
 TAMA 11 to 17-51. LOWEST: Showers, 11-12 (13-24).
 MADRID: Cloudy, 11-17 (18-25).
 PARIS: Showers, 11-17 (18-25).
 ROME: Showers, 11-17 (18-25).
 TOKYO: Showers, 11-17 (18-25).
 WASHINGTON: Showers, 11-17 (18-25).

AMSTERDAM: 11-17 (18-25).
 BRUSSELS: 11-17 (18-25).
 FRANKFURT: 11-17 (18-25).
 LONDON: 11-17 (18-25).
 PARIS: 11-17 (18-25).
 STOCKHOLM: 11-17 (18-25).
 SYDNEY: 11-17 (18-25).
 ZURICH: 11-17 (18-25).

AMSTERDAM: 11-17 (18-25).
 BRUSSELS: 11-17 (18-25).
 FRANKFURT: 11-17 (18-25).
 LONDON: 11-17 (18-25).
 PARIS: 11-17 (18-25).
 STOCKHOLM: 11-17 (18-25).
 SYDNEY: 11-17 (18-25).
 ZURICH: 11-17 (18-25).

SPORTS

Mattingly's 2 Homers, 1 a Grand Slam, Tie 2 Records as Yanks Win

Compiled by Our Staff From Dispatches ARLINGTON, Texas — Don Mattingly hit two home runs, one a grand slam, tied two records and drove in seven runs Thursday night to power the New York Yankees to a 12-3 rout of the Texas Rangers. By hitting a homer in his sixth straight game, Mattingly tied an American League record. With his fourth grand slam this season, he tied a team mark. "Just found my swing a few days ago," he said. "It happened all of a sudden. I can't explain it, but all of a sudden I got in a good groove."

both runs, one with a homer. Youmans walked five and struck out five in his second complete game; this year, both slouts. He allowed just one run to reach third base. Mets 9, Reds 6: In New York, Dwight Gooden pitched a seven-hitter; Gary Carter drove in four runs and Kevin McReynolds doubled in three, when Cincinnati center fielder Tracy Jones lost sight of his high fly in the third inning. Astros 2, Phillies 1: In Houston, Ken Caminiti, playing his first major-league game, tipped and homered, then scored the winning run against Philadelphia with one out in the bottom of the ninth. Caminiti, a third baseman, was called up from Class AA Columbus of the Southern League on Wednesday. Padres 9, Cardinals 8: In San Diego, Benito Santiago homered with one out in the bottom of the 10th to drop St. Louis to 10-2 in extra-inning games this season. Cubs 4, Giants 1: In San Francisco, Jamie Moyer and Scott Sanderson pitched a four-hitter for Chicago, while Andre Dawson doubled in two runs.

BASEBALL ROUNDUP American League record. With his fourth grand slam this season, he tied a team mark. "Just found my swing a few days ago," he said. "It happened all of a sudden. I can't explain it, but all of a sudden I got in a good groove." "I don't care about records and all that stuff," he said. "None of that stuff is going to help us down the road. We're in a dogfight and all that matters is that we win games." Since coming off the disabled list late in June following a back injury, Mattingly has in his last 41 games raised his batting average from .240 to .337. And in his last six games, 16 hits in 33 at-bats, eight have been home runs, giving him 16 this year. He also has 20 RBI in that span.

His fourth grand slam equaled a club record, set in 1934 by Lou Gehrig and tied by Tommy Henrich in 1948, and left him one short of the major-league record set by Emie Banks of the Chicago Cubs in 1955 and tied by Jim Gentile of the Baltimore Orioles in 1961. Mattingly is the seventh AL player to hit a homer in six straight games, the last being Reggie Miller of the Oakland Athletics in 1976. Dale Long holds the major-league record for homers in consecutive games, with eight for the Pittsburgh Pirates in 1956. In his last five at-bats with the bases loaded, Mattingly has hit four homers and singled. "This is a good way to get started after the All-Star break," said the Yankees manager, Lou Piniella. Mike Stanley, the Rangers' catcher, also tied a record, but he'd rather forget. Bantling pitcher Charlie Hough's knuckle ball, Stanley was charged with five passed balls, tying the AL record set by Tom Egan of the California Angels on July 28, 1970.

Stanley's passed balls accounted for two no-run outs, one in the first that gave the Yankees a 1-0 lead before Mattingly hit his grand slam in the second inning. "Sometimes the knuckle would break a lot and sometimes it didn't break at all," said Stanley. "It was a constant battle. I had a tough time catching it. What else can I say?" Blue Jays 5, Twins 2: In Minneapolis, Jesse Barfield got four hits and Fred McGriff homered for Toronto, which beat the Twins for the 10th straight time. Brewers 6, Angels 4: In Milwaukee, Rob Deer homered and Ernest Riles drove in two runs against California as Kirk McCaskill, making his first start since coming off the disabled list, gave up five runs on seven hits in 3 1/2 innings.

Twins 3, Mariners 2: In Detroit, Kirk Gibson's homer leading off the bottom of the seventh beat Seattle. Athletics 6, Red Sox 3: In Boston, Mickey Tetlow and Alfredo Griffin pitched for Oakland on consecutive errors during a three-run seventh that beat Roger Clemens. Orioles 5, Royals 4: In Kansas City, Missouri, Eddie Murray and Mike Young homered for Baltimore, which handed the Royals their seventh loss in eight games. Indians 4, White Sox 3: In Chicago, Cory Snyder homered with two on and Mel Hall with the bases empty for Cleveland.

Expos 2, Braves 0: In the National League, in Montreal, Floyd Youmans pitched a three-hitter against Atlanta and Ernie Brooks drove in



Bernhard Langer, left, of West Germany saluted the crowd at the 18th hole; Tom Watson of the United States waved good-bye to a birdie there. Both shot 69 and were just off the lead.

Trevino: The Good Guy's in Search of an Ill Wind

By Tony Kornheiser Washington Post Service MUIRFIELD, Scotland — Lee Trevino came to the British Open, the tournament he holds so dear he has promised to swim across the Atlantic if he cannot play in it, with one fervent wish: "I want the wind to blow, and blow hard." Trevino knows he can play the low ball into the wind, and he's been around long enough to be pretty confident most of the others can't. "See, I think I can shoot par, or one or two under, even if the wind blows," he explained. "If it blows 20, 25 miles an hour, you'll get rid of lots of guys who might win if it doesn't." Trevino said with a snort, "It'll be a putting contest."

So far, Trevino is having the desire that once burned now barely flickers. "In 1972," he said, "I worked on my game for two weeks at a golf course in central Texas to prepare to defend my British Open championship. I'd never do that now. I just don't get into it much anymore. I don't practice. I don't worry about it. If I post a score, fine." But Lee Nicklaus and Tom Watson — like all the truly great players — Trevino is juiced up by the majors. It's a kind of automatic shift to a higher gear they unconsciously make. And how serendipitous the way he suddenly has regained his putting stroke.

He had given his mother-in-law an old putter, cutting down the shaft for her to use. But just month he told her she didn't like it. He reclaimed it, put a nine-iron shaft on it and found it fit him like a glove. Like he told his practice round partners, Nicklaus, Watson and Norman, the other day: "Boys, I'm not hitting too well, but this flat stick's working real good." Trevino went around Thursday in his customary style, yapping all the way. One playing partner, Gordon Brand Jr. of Britain, was charmed and reported, "He was quiet briefly, but they were not prolonged moments." The other playing partner, Jumbo Ozaki of Japan, said he loved playing with his good friend Trevino, and no, there wasn't a language barrier. But one passage before accepting these comments as gospel because they were made through an interpreter. (The question arises: What would Trevino do if he were grouped with three Albanians? Brand said, "What he does anyway: pick some stranger out of the crowd, give him for a hole or two, drop him, then pick out someone else.") After the 67, it was suggested to Trevino that he could win this thing if he had a permanent playing partner to talk to. No, he insisted, he needed "someone to listen to me," then quickly added, "I can always find someone to talk to. I'll talk to the bugs if no one's around."

Azinger Leads British Open, 4 Golfers Are a Stroke Behind

The Associated Press MUIRFIELD, Scotland — Paul Azinger, the leading money-winner on the U.S. PGA tour this year, shot his second consecutive 68 on Friday for a one-stroke lead in the second round of the British Open, leading an American surge at the top of a tightly bunched field. Playing in golf's oldest tournament for the first time, Azinger carded a six-under-par total of 136 for two rounds with the help of a beautiful shot from one of Muirfield's deep bunkers on the 18th hole. "I want to be there to find out what pressure is like," he said. "I welcome it. You better welcome it or go home."

One stroke back were Payne Stewart of the United States, first-round leader Roger Davis and qualifier Gerry Taylor, both Australians, and Nick Faldo of England. Stewart had the day's best round with a five-under-par 66 on a course where conditions started with windblown rain, changed to midday calm and wound up in chill drizzle. Americans Lee Trevino, Ken Green and Bob Tway all entered the day three strokes back at 67. Trevino surged to a 74 for 141, Green shot a 76 for 143, and Tway carded a 72 for 139.

Davis, who shot 64 on Thursday, missed a chance to tie for the 36-hole lead when he hit his tee shot on 18 into a fairway bunker, then narrowly missed sinking a 25-foot (7.5-meter) putt and took a bogey-5. Two strokes back at 138, were Craig Stadler and five-time British Open champion Tom Watson of the United States; Bernhard Langer of West Germany and David Frost of South Africa. Among the late starters, Larry Mizze of the United States was making a run at the midway lead before hitting into the rough on the 15th hole and taking a bogey-5. He was four strokes over par for the tournament through 16, picking up one stroke from Thursday's opening round. With Mizze, the Masters champion, still out, three shots separated the top nine golfers, including four Americans. It looked as if the cut-off for the final two rounds would be 146, just four over par. The last American to win the Open was Watson, in 1983. Azinger bogeyed the first hole, quickly got that shot back and birdied the 9th, 10th and 11th holes. On the 18th, he pitched from a bunker to within inches of the flag to save par. On a day when the weather on Scotland's east coast ranged from most foul to fairly gentle, Faldo shot 69 and Taylor, a first-time open participant with just one victory in his career, shot 68. "I just tried to stay relaxed and enjoy it," said Taylor, who gained one of three spots in a qualifying tournament in nearby North Berwick earlier this week. "It has been a dream to play in something like this," he said. "It's the greatest thing in my life."

Starting the round 2-under par, Taylor found himself in one of Muirfield's famed bunkers and bogeyed the first hole. He birdied the second and third holes, bogeyed the fifth, then birdied three of the next four holes to go five under. While the day was a dream for Taylor, Arnold Palmer was having a nightmare. The two-time Open champion took a six-over-par 10 on the 14th hole and finished two rounds at 153. It appeared certain that Palmer, playing in his first British Open since 1984, would miss the cut. Faldo played his round in the worst conditions so far, with rain that led defending champion Greg Norman of Australia to call it "a

Jackson Boored By Royals' Fans

The Associated Press KANSAS CITY, Missouri — A long, loud booo greeted Bo Jackson Thursday night when he came to bat for the first time since announcing plans to play football for the Los Angeles Raiders between major league baseball seasons. The booning rose to a crescendo when Jackson struck out on a 2-2 pitch from Baltimore's Mike Boddicker, on a ball well outside the strike zone. That strikeout, Jackson's 116th, kept him on pace to break the major-league single-season record. The Royals' prized but raw left fielder, the 1985 Heisman Trophy winner in college football, said last week he had signed a contract with the National Football League's Raiders, arch-rivals of the Kansas City Chiefs. Toy footballs were thrown from the stands when Jackson took his place in left field.

Aouita Breaks Record; Moses Falls



Said Aouita of Morocco strained to finish with a world record of 4:50.81 in the 2,000-meter run.

The Associated Press PARIS — Said Aouita of Morocco set a world record Thursday night in the 2,000-meter run at the Paris International track and field meet, but Edwin Moses of the United States fell on a rain-slickened track and lost a 400-meter hurdles race for the second time in six weeks. Aouita, the record-holder at 1,500 and 5,000 meters, left a strong field far behind, winning in 4 minutes, 50.81 seconds. That was more than a half-second faster than the mark of 4:51.39 that Steve Cram of Britain set in Budapest in 1985. "In the last lap, I accelerated to the maximum and I knew I would set this record," Aouita said. "I am a very busy for Cram, who is a very good friend of mine." Moses had a solid lead as he approached the ninth hurdle, then appeared to hesitate. He hit the barrier soundly and lay on the track as Amadou Dia Ba of Senegal won the race in 48.89 seconds. Danny Harris, who ended Moses' 122-race winning streak June 5 in Madrid, was second in 48.98. Tears streamed down Moses' face as he walked off, but he said he was not injured. "I'm O.K.," he said, "but I'm disappointed."

Major League Standings

Table with columns for American League (East and West) and National League (East and West) standings, including team names, wins, losses, and percentages.

SCOREBOARD

Scoreboard section listing results for Golf (British Open), Cycling (Tour de France), Baseball (Thursday's Line Scores), and Football (CFL Standings).

Transition

BASEBALL. American League. MILWAUKEE—Activated Paul Molitor, third baseman, optioned Jim Paddock, infielder, and Jim Carraway, second baseman, to 15-day disabled list. NEW YORK—Bought the contract of Rich Bordi, pitcher, from Columbus, International League. Released Jeff Merkley, infielder, from Columbus. Optioned Pete Pfitzen, pitcher, to Columbus. NATIONAL BASKETBALL. NEW YORK—Named Stu Jackson assistant coach. FOOTBALL. NATIONAL FOOTBALL LEAGUE. DALLAS—Signed Tom Landry to coach the team for three more seasons, replacing Tom Landry, wide receiver. GREEN BAY—Signed Paul Oladokun, wide receiver, to two-year contract. CINCINNATI—Signed James Johnson, running back, and Orville Robinson, wide receiver. L.A. RAMS—Signed Fred Skelton, defensive end. NEW ORLEANS—Signed Tom Elwell, offensive tackle, to a two-year contract.

Football

PHILADELPHIA—Signed David Croshaw, kicker. NATIONAL HOCKEY LEAGUE. BOSTON—Signed Mike Milbury to two-year contract as general manager and coach of the Maine Mariners of the American Hockey League. COLLEGE BASKETBALL. ALBANY—Named Larry Harrison women's basketball coach. BAPTIST—Named Carol Meason women's basketball coach. COE—Charlie Cain, women's basketball and track coach, resigned. DELAWARE—Signed Larry Lane, assistant football coach, resigned. OREGON—Named Rod Harrison women's basketball coach. EASTERN MICHIGAN—Named Roger Corbett basketball coach. FLORIDA—Signed Red Croft basketball coach, and transferred to Evansville. CALUMET COLLEGE—Named Sean Kelly defensive coordinator and Eric Wynn offensive coordinator. MARYLAND—Signed Chris Green and Darryl McCluskey of the basketball team will not return for the 1987-88 season.

Herald Tribune advertisement for Air France flights, including the text 'The Inflight Newspaper is available on all Air France flights' and 'AIR FRANCE' logo.

PEOPLE

Sergiu Comissiona: Musical Sleight of Hand

By Bernard Holland
New York Times Service

It surprised more than a few people when Sergiu Comissiona was named music director of the New York City Opera a year ago. Opera is a complicated business and usually left to those who have spent their careers amid its complexities. Comissiona was principal conductor of the Romanian State Opera when still in his 20s and has been a sporadic pit conductor ever since, but he comes to the New York house known mainly as a successful and durable operative in the symphonic field.

Comissiona, who is 59, has been in and out of the City Opera as a visiting conductor for the past decade, but he was scheduled to make his debut in his present job Friday night, conducting "Cavalleria Rusticana" and "Pagliacci" in a new production of the familiar double bill.

Opera conducting is, in more than the obvious ways, sleight of hand. The good practitioners neither code to singers on stage, dragging the music along in their wake, nor do they begin with the orchestra parts and command those on stage to follow. Their secret is the ability to "follow" singers while in reality motivating what the performers are doing. It remains to be seen if Comissiona can bring such qualities to the City Opera.

He is winding up his tenure as head of the Houston Symphony next season and continues to be chief conductor at Holland's Radio Philharmonic Orchestra Hilversum. Add to this his long years leading the Baltimore, Göteborg (Sweden) and Haifa symphonies and his rounds of guest conducting, and we have a picture of a man whose theater work has been active but, in comparison, a sideline.

Talking to Comissiona between rehearsals, as well as to his new boss, Beverly Sills — the City Opera's general director — who hired him, creates a slightly clearer picture of the thinking behind his appointment. Both seem to agree that Comissiona's work will start with infrastructure — specifically, the administration of the City Opera's orchestra. The hope is that by strengthening roots, the entire plant — singers, staging and direction — will bloom more brightly. "We want someone to do here what Jimmy Levine has done at the Met," said Sills, referring to James Levine's impressive restoration of the Metropolitan Opera's orchestra and chorus over the last decade. "We have a good orchestra now and we want a great one."

Comissiona agrees. "My job here be-



Sergiu Comissiona works with Marianna Christos, who is singing in New York City Opera's "Pagliacci."

times a week, with five performances between Friday and Sunday evenings. Given the burdens of performance and rehearsal schedules, player substitutions are not that easy to avoid.

Comissiona has also been looking through the house's accumulation of orchestra parts with an eye to throwing out some of the ratty and overworked ones and ordering replacements. Here he has met some unexpected opposition.

"For Faust," I wanted to get a whole new set," said Comissiona, "but the musicians came to me and begged me not to. 'All our secrets have been marked in them over the years,' they said. So I didn't." There will be no new parts, at least this year.

Comissiona inherits this year's season, but he says he will have substantial influence on what the City Opera puts on in the future. He has already put some suggestions before Sills; some, while still being considered and others rejected, while still others are being weighed.

Comissiona is delighted to take on Schoenberg's "Moses und Aaron," which was planned (for 1989) before his coming, and his dreams for the future include some of the less-performed Tchaikovsky stage works, Hans Werner Henze's opera "Oedipus" by Georges Enesco and works by Ravel and Paul Dukas. He is also a fan of Alexander von Zemlinsky.

"As music director, he will have first grabs at conducting new productions," says Sills, "but he also knows that he will be doing a lot of the things in our standard bread-and-butter repertory."

Comissiona comes to his new job with expressions of humility. "I am neither a green musician nor a green opera conductor, but I am here to learn," he said. "This is a beginning for me. Don't expect miracles soon. There will be results in time."

His music career began in his teens as a violinist in the Romanian State Ensemble and his first opera conducting followed the familiar script of sudden cancellation by a scheduled conductor and a fledgling dramatic substitution. The drama here was heightened by the performance's leading soprano, who was Comissiona's mother.

Early in his career, Comissiona tended to avoid the traditional path of young conductors — as house functionary in the small German opera houses. He left a successful Romanian career in 1959 and emigrated to Israel, where he became busy with a number of orchestras, including the Haifa orchestra.

He made his British debut three years later as music director of the Philadelphia Orchestra in 1963. A year later he became music director of Sweden's Göteborg Symphony, and a year after that took over the Baltimore Symphony, which he headed for 15 seasons. He became music director in Houston in 1983.

All these travels have now steered him into the middle of Manhattan, where he and his wife of 38 years (a former member of the Romanian State Opera Ballet) have bought a co-op apartment between Lincoln Center and Central Park. Comissiona has already joined the latter's early morning army of walkers and joggers and notes with pleasure that his apartment looks down on the New York State Theater — the City Opera's home.

Sculptor Loses a Round

A U.S. District Court judge has ruled that the sculptor Richard Serra cannot sue two federal officials, Justice and Attorney General, who plan to have his work removed from a public building. Serra, creator of the 12-foot-high, 112-foot-long "Tilted Arc," filed a \$30 million civil suit against the General Services Administration and four current or former officials because of the removal plan, but Judge Milton Pollack dismissed the complaints against two of the officials. Serra charged that the GSA regional administrator, William J. Diamond, and the agency's former acting administrator, Dwight Tak, violated his constitutional right to free speech and due process of law in recommending removal of "Tilted Arc" from 26 Federal Plaza in lower Manhattan. But in dismissing Serra's claims, Pollack said the artist "has alleged extremely strict violations of constitutional rights."

Serra's lawyers, Gustave Harrow and Robert M. Pollack, said he would appeal, but that he had to wait until Pollack rules on the claims against the GSA and the other officials. The sculpture, a curving steel wall that bisects the plaza, has sparked controversy since it was unveiled in July 1981. A petition seeking its removal was signed by 1,300 of the nearly 10,000 employees who work in the federal office complex. The work is still in place.

The Nobel Prize-winning economist Milton Friedman, who will turn 75 on July 31, was honored at a party given by the Hoover Institution at Stanford University, where he is a senior research fellow. The 400 guests included Attorney General Edwin Meese and the former U.S. ambassador to Mexico, John Gwin. Friedman, widely regarded as the leader of the Chicago school of monetary economics, won the Nobel Prize in 1976.

In Los Angeles, the actor Sean Penn, who won a delay in his 60-day jail sentence so he could complete film projects in West Germany and New York, was spotted around town, as Alvin Karpis, the deputy city attorney, is not happy about it. She said her office had been unable to confirm reports that the put-upon actor was involved in a disturbance Monday at a Beverly Hills restaurant. "He apparently is in town," Hand said. "He

has been seen around at a number of different places." Municipal Court Commissioner Jewel C. Coney on July 6 gave Penn an Aug. 1 to finish "some ongoing projects." He was permitted to leave the country as of July 26, was sentenced in June 60 days in jail for violating probation by punching a movie extra in a film set. He was on probation for beating a man he thought was trying to kiss his wife, the rock star, Madonna, at a nightclub. "Obviously, I am not pleased," Hand said, adding that she intends to take the judge on Monday for serious discussion about which there's any need to delay his sentence any longer.

Bob Hope joked about some people in the news while accepting an award for his nearly 50 years in radio and radio actors union. More than 350 delegates at the annual convention in St. Louis of the American Federation of Television and Radio Artists applauded Thursday as Hope, 84, was presented a gold replica of his AFTR membership card. "To hold an AFTR card, you have to know how to act, how to laugh, how to cry, how to be in complete control," Hope said. "If you're not a President, you must hold a card." As for President Ronald Reagan, Hope said: "I'm not a better actor now than I was when I was in Hollywood." An "Ope! Roberts is really something. He kind of interested in that — for many reasons."

The sister of Liberace, the flamboyant entertainer who died of AIDS in February, has announced plans to convert her brother's palatial Las Vegas home into a museum. But because Liberace's multi-million-dollar estate was placed in the control of his lawyer and accountant, who is intent on selling the mansion, \$5 million will have to be raised to buy the home, Angie Liberace said. She said her brother's home "is just as much a shrine" as Elvis Presley's Graceland Museum in Memphis and should be preserved. Las Vegas already has one Liberace museum, administered by Doris Liberace, the widow of the pianist's brother, George.

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